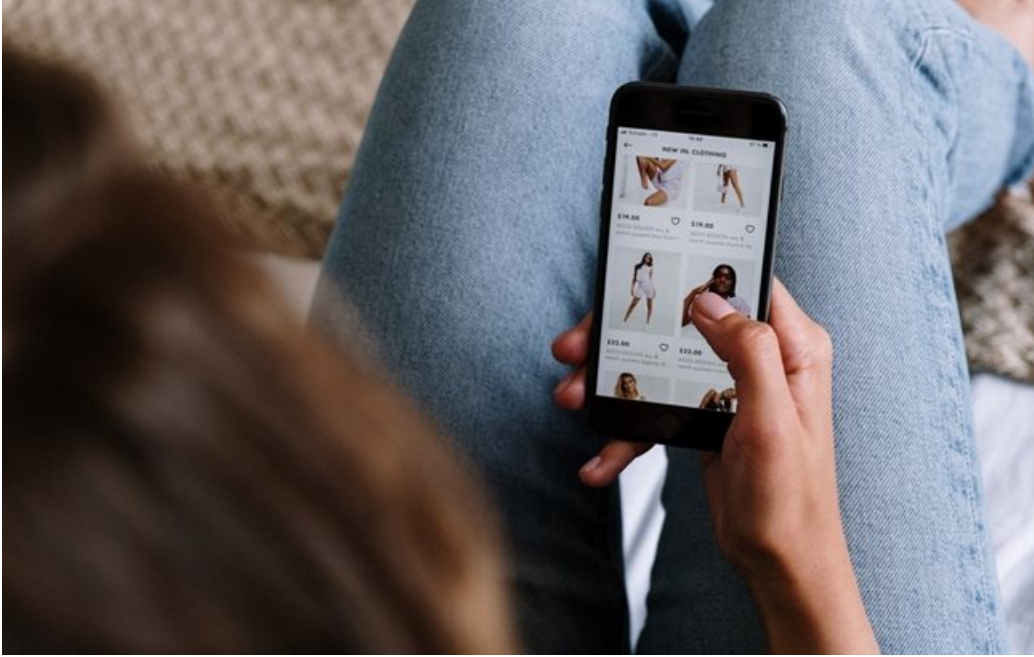


The rise of e-commerce and social interaction selling

By  [Danette Breitenbach](#)

12 Nov 2021

At the end of 2021 it is expected that South Africa's online retail sales will total R42bn. With the vaccine rollout and a return to business-as-usual on the horizon, 76% of merchants are feeling positive about the year ahead - versus 63% at the start of 2021.



Source: [Pexels](#)

This is the finding of the second annual PayFast Ecommerce Performance (PEP) Index. Launched on Tuesday, the index gives insight into the e-commerce landscape heading into 2022.

“Despite a difficult year, 48% of merchants saw an increase in revenue, spurred on by a 50% increase in online sales,” comments Colleen Harrison, head of marketing at PayFast.



PayFast reveals first Ecommerce Performance Index

3 Nov 2020



Changing consumer habits

Consumer habits have changed irrevocably for the long term as the pandemic and lockdown forced consumers to adopt new shopping behaviours outside their comfort zone.

The result is a rise in online purchases and the adaption of new payment methods, both of which have not subsided, but rather continued to grow.

Black Friday

With Black Friday on the horizon online merchants are feeling optimistic. The total average basket size for Black Friday

2020 was R1,243.

“This is a 55% increase in average basket size compared to the rest of the year and total payment volumes increased by 47%, while the total number of transactions increased by 57%,” says Harrison.

Speaking at the Index launch Bronwyn Williams, a marketer, trend researcher and writer at Flux Trends says: “Black Friday should not be viewed as a day but as a week.”

“Black Friday sees payment volumes begin to increase on the Monday already, gradually increasing to peak on Friday, then dip on the weekend and rise again on the Monday. Merchants also need to account for when payday falls in this time.”



Online retail in SA soars to R30bn, comprising 2.8% of total retail

12 May 2021



The retail apocalypse

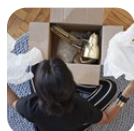
The global retail apocalypse that started in 2010 has affected South Africa, says Williams.

“While we have the eighth biggest mall space, we are not the eighth biggest economy. Our 'build now and pay later policy' has put office and retail space under pressure,” she explains.

“However, the country’s mall culture is evolving into a high street type of shopping space with smaller boutique stores.”

In addition, as the boundaries of online and offline spaces start to blur more and more, ghost retail stores are popping up as online retailers want some physical retail presence.

“This gives an online retailer the opportunity to be part of a bigger world where it can provide the retailer with a surprising and tangible touchpoint to reach the consumer. It also builds trust with consumers. Apart from providing a competitive advantage, this is also a way for smaller online retailers to compete against the likes of Amazon,” she explains.



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Lauren Hartzenberg 18 May 2021



Interactive social selling

A trend that's moving swiftly from east to west and one that local early adopters will see in South Africa soon is interactive social selling.

"Influencers are evolving into direct salespeople, and they will be paid on a commission basis not a retainer," she says.

"With interactive social selling, the live chat capability becomes the late-night shopping network. This is already very big in China, where luxury brands and Walmart-type products and services have already earned \$61bn," Williams says.

The 2021 edition of the PEP Index is available [here](#).

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

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